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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 001404

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TAGS: [PREL](#) [KWBG](#) [IS](#) [SETTLEMENTS](#) [ISRAELI](#) [PALESTINIAN](#) [AFFAIRS](#) [GOI](#) [INTERNAL](#)

SUBJECT: MOSSI RAZ ON THE UNOFFICIAL APPROVAL PROCESS FOR SETTLEMENTS AND OUTPOSTS

REF: TEL AVIV 00707

Classified By: Ambassador Daniel C. Kurtzer for reasons 1.4 (b) and (d)

Consulate General Jerusalem cleared this cable.

11. (C) Summary: Mossi Raz, a former Meretz MK, provided a brief history of the growth of settlements, and outlined the hidden support that the Israeli government has given to settlers over the past 13 years. Settlers focused on expanding existing settlements between 1992 and 1996 because Prime Minister Yitzhak Rabin ordered new construction to stop, he said. After 1996, however, they began new construction when the GOI turned a blind eye to settler activities, and in some cases, elements of the GOI actively supported the settlements enterprise. According to Raz, Ariel Sharon provided funds and materials to the settlers when he was Minister of Construction and Housing in 1998, as did government bureaucrats affiliated with the settlements movement in the Civil Administration and Ministries of Defense, Tourism, Infrastructure, and Transportation. Raz and Dror Etkes of Peace Now claimed that the GOI currently continues to provide hidden support to the settlers, and they explained that it is difficult to trace the flow of funds because auditors are themselves settlers and little motivation to stop the misappropriation of government funds. Post will report septel on PM Advisor Talia Sasson's upcoming report, which is expected to support Raz's points. End summary.

A Brief History of the Illegal
Settlements/Outposts Enterprise

12. (C) Mossi Raz, former Meretz MK until March 2003 and current Deputy Executive Director of the Institute for Advanced Studies, explained to economic officers that prior to 1992, settlers did not have any bureaucratic hurdles to overcome when building new settlements in the West Bank and Gaza Strip. In 1992, however, Prime Minister Yitzhak Rabin ordered construction of new settlements to stop and, according to Raz, the settlers were "in a state of shock." They focused instead on populating and expanding existing settlements, and lowering vacancy rates in the settlements became the settlement leaderships' primary objective. Raz reported that even in 1995, however, the vacancy rate in the West Bank was still a relatively high 12.5 percent.

13. (C) According to Raz, when Binyamin Netanyahu was elected Prime Minister in 1996, he publicly rescinded the government's commitment not to construct new settlements, but in practice the Cabinet did not approve new construction. The settlers decided, however, that they "didn't need approval, they just needed no reaction from the government," and continued to expand existing settlements while also erecting new settlements/outposts without authorization. Raz said that the lack of a government response to the settlers' activities led to continued building, and that many of the settlements/outposts constructed at that time, such as Itamar (Hanekuda outposts) and Ofrah (Amonah outpost), now have permanent homes.

The GOI Provides Support

14. (C) Raz continued that government ministers, at the time, often did not bother with or consider the legal status of outposts. He said many of the outposts/settlements were on state land and within the municipal borders of mother settlements so no one questioned their presence. According to Raz, often the settlers would claim that the new settlement/outpost was in fact only a new neighborhood -- even if geographically distant -- and the government would issue retroactive approvals to support the addition of the new site. However, ministers who supported the establishment and development of these illegal sites did more than just look the other way and actively provided funding and materials. Raz claimed that current Prime Minister Ariel Sharon championed this activity while he was the Minister of Construction and Housing (MOCH) in 1998, and that the Religious Affairs Ministry also supported the settlements enterprise.

15. (C) Raz explained that when he was in the Knesset Finance Committee he saw a list of mikvaot, or religious baths, that settlers were requesting from the Religious Affairs Ministry. The Minister of Religious Affairs subsequently justified the request saying, "People live there, people need a mikvah." This formulation that people were established on the ground and needed services later became true for ministries who went on to supply other forms of infrastructure such as water, electricity, and roads, as reported in ref A. According to Raz, the Civil Administration -- responsible for all civilian activity in the West Bank and Gaza Strip -- was mostly comprised of settlers themselves, so they helped by building roads while the Defense Ministry authorized soldiers to defend the neighborhoods and ignore demolition orders. Raz said that he appealed to the High Court for these actions to stop but he was ignored because Prime Minister Ehud Barak accepted them.

16. (C) Dror Etkes, Settlement Watch Coordinator for Peace Now, explained that these activities continue today. He said that the local and regional settlement councils may buy an old trailer for NIS3,000-4,000, place the trailer in an unauthorized location, and then complain to the Civil Administration that the trailer is "unsafe." The government will then authorize the replacement of the trailer with a more secure one, and then will eventually lay cement foundations for permanent homes. The settlers will move the "unsafe" trailer to a new location and the process starts over again. In another example of hidden government support, Etkes explained that the MOCH may overbudget the amount of time it takes to work on a legal project by a few days and spend the extra days working at an illegal outpost.

17. (C) Raz also reported that settlers can currently build illegally in the West Bank because their compatriots often hold key government positions in charge of stopping that activity. Raz said that their supporters provide material and financial support to illegal construction, and he claimed that the Civil Administration, the Higher Planning Committee, the Defense Ministry, and persons in the Ministries of Construction and Housing, Infrastructure, Tourism, Transportation, etc., all have settler activists in key positions that allow the government to assist the illegal sites. Raz reported that settler bureaucrats are telling their field operatives, "you create the facts on the ground and we'll find a way to help."

Who's Watching?

18. (C) In response to econoff's question, Raz said that there were and continue to be auditors from the Ministry of Interior in place to track the disbursement of funds from ministries to regional councils. He explained, however, that the auditors are not supplied with sufficient data to see what the councils actually spend the funds on, nor are the reports ever published. Furthermore, the auditors often look to see if the funds were used as they were intended -- for a road, trailer, or mikvah -- but not to ensure that the money only went to projects in authorized areas. Therefore, Raz said that the local and regional councils are able to use funds given to them by government ministries to support unauthorized building projects. In addition, Raz noted that the regional councils have their own auditors but most are settlers themselves so presumably they will not blow the whistle on any illegal spending that may be taking place. Raz also said that many of the government auditors and bureaucrats are themselves settlers and have little motivation to crack down on misappropriation of government funds. Etkes confirmed that regional councils do not report if the money goes to an outpost or is spent within an authorized settlement.

GOI Needs to Change Priorities
to Stop Settlement Activity

19. (C) Raz speculated that the GOI will continue to allow the illegal establishment and construction of outposts unless it changes its building priorities away from the West Bank. Raz said the GOI has not yet accepted the proposition that it has to evacuate the remaining outposts, and will probably attempt to retroactively approve those sites. As a next step, Raz suggested that the GOI cancel the meetings of the Higher Planning Committee to send a message that construction in the West Bank is over. Raz also reported that the GOI continues to spend three times the amount of money on settlers as it does on Israelis living within the Green Line, and said that the government wastes a lot of money in the settlements that could be used elsewhere.

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KURTZER